

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Zhejiang Shibao Company Limited*

浙江世寶股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1057)

INSIDE INFORMATION 2017 THIRD QUARTERLY REPORT

This announcement is made by Zhejiang Shibao Company Limited (the “**Company**”) pursuant to the disclosure requirements as set out in Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The quarterly report (unaudited) contained in this announcement has been prepared in accordance with “China Accounting Standards of Business Enterprises” and in accordance with the requirements on preparation and disclosure of quarterly report issued by China Securities Regulatory Commission (the “**CSRC**”), and has been considered and approved by the Board of Directors of the Company.

(1) Important notice

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that this quarterly report is true, accurate and complete, and does not contain false accounting, misleading statements or material omissions, and jointly and severally accept full legal responsibilities for its contents.

All Directors were present at the Board meeting to consider and approve this quarterly report.

Zhang Shi Quan, the Legal Representative, Zhang Lan Jun, the Person-in-Charge of Accounting Work, and Li Gen Mei, the Person-in-Charge of Accounting Organisation (Head of the Accounting Department), of the Company declare that the financial statements contained in this quarterly report are true, accurate and complete.

* For identification purpose only

(2) Key financial information and changes in shareholders

1. Key accounting information and financial indicators

The Company had no retrospective adjustments or restatement of the financial data in the previous periods made in respect of change in accounting policies and correction of accounting errors.

Unit: RMB

	30 September 2017	31 December 2016	Change	
Total assets	2,024,205,188.70	2,074,741,559.47	-2.44%	
Net assets attributable to shareholders of the listed company	1,483,003,003.65	1,473,509,760.40	0.64%	
	July - September 2017	Change	January - September 2017	Change
Operating revenue	236,591,597.38	-2.73%	782,817,445.19	1.03%
Net profit attributable to shareholders of the listed company	1,363,941.63	-88.60%	41,079,028.75	-19.19%
Net profit after non-recurring gains and losses attributable to shareholders of the listed company	-2,532,878.56	-133.59%	24,807,095.56	-39.42%
Net cash flows from operating activities	--	--	-27,793,602.57	-151.58%
Basic earnings per share (RMB/share)	0.0017	-88.60%	0.0520	-19.19%
Diluted earnings per share (RMB/share)	0.0017	-88.60%	0.0520	-19.19%
Weighted average returns on net assets (%)	0.09%	-0.74%	2.77%	-0.72%

Note: During the reporting period, the total share capital of Company was increased due to capital reserve capitalization, which did not affect the amount of shareholders' equity. The Company has adjusted and reported the basic earnings per share and diluted earnings per share based on the latest share capital and calculated the percentage of increase/decrease in the corresponding period according to the requirements of applicable accounting standards.

Items of non-recurring gains and losses and their amounts

Unit: RMB

Item	January - September 2017
Gain or loss on disposal of non-current assets (including those provision for asset impairment written off)	-594,344.84
Government subsidy included in profit or loss for the period (except for those closely related to business of the Company and those granted by the government in fixed amount or quantity according to national standards)	10,734,655.96
Gain or loss on entrusted investment or asset management	5,842,502.62
Reversal of impairment provisions for receivables subject to individual impairment test	2,615,434.36
Other non-operating income and expenses other than the above	33,940.83
Less: Effect on enterprise income tax	1,784,209.10
Effect on interest of minority shareholders (after tax)	576,046.64
Total	16,271,933.19

Note: During the reporting period, no non-recurring gains and losses defined and listed in the “Disclosure Explaining Announcement No.1 for Companies Offering Securities Publicly – Non-Recurring Gains and Losses” were defined as recurring gains and losses.

2. Total number of shareholders and list of shareholding for top ten shareholders as at the end of the reporting period

1) Number of shareholders and list of shareholding for top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period					49,342	
Shareholding of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held with selling restrictions	Status on pledge or lock-up	
					Status	No.
Zhejiang Shibao Holding Group Co., Ltd.	Domestic non-state owned legal person	43.56%	343,948,002	206,734,032	Pledge	17,500,000
HKSCC Nominees Limited	Foreign legal person	27.41%	216,479,450			
Zhang Shi Quan	Domestic natural person	3.34%	26,391,580	19,793,685		
Deutsche Bank Aktiengesellschaft	Foreign legal person	1.98%	15,652,300			
Xu Ling Bo	Domestic natural person	0.93%	7,376,552			
Chen Qing Liang	Domestic natural person	0.41%	3,241,500			
Chen Li Zhen	Domestic natural person	0.28%	2,228,000			
Lin Qiong Hua	Domestic natural person	0.26%	2,079,050			
Chen Li Ying	Domestic natural person	0.12%	951,150			
Huang Zong Xiang	Domestic natural person	0.07%	540,000			

Shareholding of top ten shareholders of ordinary shares without selling restrictions			
Name of shareholder	Number of ordinary shares held without selling restrictions	Types of shares	
		Types of shares	Number
HKSCC Nominees Limited	216,479,450	Overseas listed foreign shares	216,479,450
Zhejiang Shibao Holding Group Co., Ltd.	137,213,970	RMB-dominated ordinary shares	137,213,970
Deutsche Bank Aktiengesellschaft	15,652,300	Overseas listed foreign shares	15,652,300
Xu Ling Bo	7,376,552	RMB-dominated ordinary shares	7,376,552
Zhang Shi Quan	6,597,895	RMB-dominated ordinary shares	6,597,895
Chen Qing Liang	3,241,500	RMB-dominated ordinary shares	3,241,500
Chen Li Zhen	2,228,000	RMB-dominated ordinary shares	2,228,000
Lin Qiong Hua	2,079,050	RMB-dominated ordinary shares	2,079,050
Chen Li Ying	951,150	RMB-dominated ordinary shares	951,150
Huang Zong Xiang	540,000	RMB-dominated ordinary shares	540,000
Illustrations on the connected relationship or acting in concert for the shareholders above	Zhejiang Shibao Holding Group Co., Ltd. is the controlling shareholder of the Company and Zhang Shi Quan is the de facto controller of the Company. The Company is not aware of other shareholders who were connected or acted in concert with each other. Deutsche Bank Aktiengesellschaft held the Company's shares through HKSCC Nominees Limited, thus its shares are included in the shares held by the latter.		
Margin trading and short selling by top ten shareholders of ordinary shares without selling restrictions (if any)	Deutsche Bank Aktiengesellschaft held 4,343,000 H Shares in short position.		

Note: None of the Company's top ten shareholders of ordinary shares and top ten shareholders of ordinary shares without selling restrictions has conducted agreed repurchase transactions during the reporting period.

(3) Significant events

1. Material changes to major accounting items and financial indicators during the reporting period and their reasons

1) Illustrations of items with significant changes in the consolidated balance sheet

Changes in figures accounting for more than 5% of the total assets at the end of the reporting period are as follows:

Unit: RMB

Item	30 September 2017	31 December 2016	Change
Cash on hand and at bank	147,180,767.54	145,160,290.11	1.39%
Notes receivable	134,640,877.46	162,714,933.93	-17.25%
Accounts receivable	407,252,753.30	398,849,055.72	2.11%
Inventories	280,427,619.94	244,998,559.78	14.46%
Other current assets	203,761,811.05	316,808,874.28	-35.68%
Fixed assets	568,836,459.03	599,101,741.36	-5.05%
Construction in progress	101,162,605.40	56,498,367.41	79.05%
Notes payable	120,893,212.27	118,716,837.78	1.83%
Accounts payable	288,846,676.76	340,234,033.23	-15.10%
Share Capital	789,644,637.00	315,857,855.00	150.00%
Capital reserve	185,250,172.21	659,036,954.21	-71.89%

The reasons for the increase/decrease of more than 30% in the figures at the end of the reporting period compared to those at the beginning of the year were analyzed as follows:

Other current assets decreased by 35.68% compared to the beginning of the period, mainly due to the decreases in the purchase of wealth management products. Construction in progress increased by 79.05% compared to the beginning of the period, mainly due to the fact that construction projects had not been completed and the new machinery and equipment was not ready for intended use. The share capital and capital reserve increased by 150.00% and decreased by 71.89% respectively compared to the beginning of the period, mainly due to the completion of share transfer out of capital reserve fund by the Company on 31 July 2017. Based on the total share capital of 315,857,855 shares at the end of 2016, 15 shares had been transferred to all shareholders for every 10 shares, resulting corresponding increases and decreases in share capital and capital reserve of the Company respectively.

2) Illustrations of items with significant changes in the consolidated income statement

Changes in figures accounting for more than 10% of the total profit at the end of the reporting period are as follows:

Unit: RMB

Item	January–September 2017	January–September 2016	Change
Revenue	782,817,445.19	774,816,017.98	1.03%
Operating costs	630,322,934.78	600,558,400.26	4.96%
Selling expenses	43,657,419.29	43,240,612.57	0.96%
General and administrative expenses	76,549,822.82	76,448,111.32	0.13%
Investment gains	5,842,502.62	4,341,534.26	34.57%
Other gains	10,734,655.96	–	–

The reasons for the increase/decrease of more than 30% in the figures for the reporting period compared to the corresponding period of last year were analyzed as follows:

Investment gains increased by 34.57% compared to the corresponding period last year, mainly due to the increases in return on wealth management products.

Other gains mainly included government grants, which was separately presented in the item of “other gains” under “operating profit” in the income statement since the interim financial report of 2017 according to the provisions under the revised “Accounting Standards for Business Enterprises No. 16 - Government Grants” issued by the Ministry of Finance, and therefore there was no comparable figures for the corresponding period last year.

3) Illustrations of items with significant changes in the consolidated statement of cash flows

Unit: RMB

Item	January – September 2017	January – September 2016	Change
Sub-total of cash inflow from operating activities	418,065,709.82	421,055,373.03	-0.71%
Sub-total of cash outflow from operating activities	445,859,312.39	367,166,167.38	21.43%
Net cash flows from operating activities	-27,793,602.57	53,889,205.65	-151.58%
Sub-total of cash inflow from investing activities	1,220,838,557.60	758,667,474.45	60.92%
Sub-total of cash outflow from investing activities	1,173,446,345.49	1,112,118,948.49	5.51%
Net cash flows from investing activities	47,392,212.11	-353,451,474.04	113.41%
Sub-total of cash inflow from financing activities	132,000,000.00	200,000,000.00	-34.00%
Sub-total of cash outflow from financing activities	162,775,689.33	244,859,678.48	-33.52%
Net cash flows from financing activities	-30,775,689.33	-44,859,678.48	31.40%
Net increase in cash and cash equivalents	-11,107,820.07	-344,573,013.78	96.78%

The reasons for the increase/decrease of more than 30% in the figures for the reporting period compared to the corresponding period of last year were analyzed as follows:

Net cash flows from operating activities decreased by 151.58% compared to the corresponding period last year, mainly due to the combined effects of an increase in cash outflow paid for materials purchase and paid to staff members, and an increase in security deposits for the issuance of bank acceptance bills.

Net cash flows from investing activities increased by 113.41% compared to the corresponding period last year, mainly due to the cash inflow from redemption of bank wealth management products at maturity.

Net cash flows from financing activities increased by 31.40% compared to the corresponding period last year, mainly due to the decrease in repayment of bank borrowings.

In view of the above, the net cash and cash equivalents increased by 96.78% compared to the corresponding period last year.

2. Progress of important events and their impact and solutions

1) Progress of non-public issuance of A Shares for 2016

The 17th meeting of the fifth session of the Board of the Company held on 21 October 2016, and the 2016 second extraordinary general meeting, the 2016 first A Share class meeting and the 2016 first H Share class meeting of the Company held on 12 December 2016 considered and approved the “Resolution on Proposal Regarding Non-public Issuance of A Shares” 《關於非公開發行A股股票方案的議案》 and other resolutions, allowing the Company to issue not more than 36,535,859 (including 36,535,859) A Shares to not more than 10 designated investors with the proposed gross proceeds not exceeding RMB1.35 billion (including RMB1.35 billion). After deduction of issuance expenses, the proceeds will be invested in “The annual production of 1,200,000 automotive intelligent steering assembly technology transformation project” (新增年產120萬台套汽車智慧轉向總成技術改造項目), “The annual production of 100,000 medium and heavy duty commercial vehicles intelligent steering industrialization development project” (年產10萬套中重型商用車智慧轉向產業化建設項目), “The annual production of 500,000 passenger cars intelligent brake booster industrialization project” (年產50萬套乘用車智慧制動助力器產業化項目), “The automotive intelligent control unit industrialization project” (汽車智慧控制單元產業化項目) and “The research and development centre of automotive intelligent technology project” (汽車智慧技術研發中心項目). On 23 December 2016, the Company received notice of acceptance from the CSRC regarding the Company’s application of non-public issuance. On 22 February 2017, the Company received feedback from the CSRC. On 14 March 2017, the Company submitted its reply to the CSRC regarding its feedback and published an announcement in relation to the Company’s reply. On 17 March 2017, the 22nd meeting of the fifth session of the Board of the Company by way of written resolutions approved and the 2017 first extraordinary general meeting, the 2017 first A Share class meeting and the 2017 first H Share class meeting of the Company held on 8 May 2017 considered and approved the “Resolution on Adjustments to the Proposal Regarding Non-public Issuance of A Shares” 《關於調整非公開發行A股股票方案的議案》, adjusting the size of

issuance, issue price and pricing principles as well as the validity period of resolutions regarding the non-public issuance. The size of issuance after adjustment should not more than 43,464,262 (including 43,464,262) shares and the issue price after adjustment should not less than RMB31.06 per share. On 20 July 2017, the Company, together with its sponsor and other intermediaries, supplemented and revised the reply to the CSRC regarding its feedback and published an announcement in accordance with the further requirements of the CSRC. On 31 July 2017, the Company adjusted the size of issuance and issue price in the proposal regarding non-public issuance of shares based on the results of the profit distribution proposal for 2016. The size of issuance after adjustment should not more than 108,958,837 (including 108,958,837) shares, and the issue price after adjustment should not less than RMB12.39 per share. On 8 August 2017, the CSRC issued a notice of second feedback, requiring the Company in conjunction with the sponsor to submit its reply on the second feedback in writing within 30 working days. On 21 August 2017, the 27th meeting of the fifth session of the Board of the Company by way of written resolutions approved the “Resolution on Further Adjustments to the Proposal Regarding Non-public Issuance of A Shares” 《關於再次調整非公開發行A股股票方案的議案》, adjusting the size of issuance, the amount of gross proceeds as well as the use of proceeds regarding the non-public issuance. The amount of gross proceeds after adjustment should not more than RMB770 million (including RMB770 billion), investing in “The annual production of 1,200,000 automotive intelligent steering assembly technology transformation project” (新增年產120萬台套汽車智慧轉向總成技術改造項目), “The annual production of 100,000 medium and heavy duty commercial vehicles intelligent steering industrialization development project” (年產10萬套中重型商用車智慧轉向產業化建設項目), “The automotive intelligent control unit industrialization project” (汽車智慧控制單元產業化項目) and “The research and development centre of automotive intelligent technology project” (汽車智慧技術研發中心項目). On 13 September 2017, the Company submitted its reply to the CSRC regarding its second feedback and published an announcement in relation to the Company’s reply.

For details of the non-public issuance of the Company, please refer to the announcements published on CNINF (巨潮資訊網) (www.cninfo.com.cn) on 11 October 2016, 18 October 2016, 24 October 2016, 13 December 2016, 26 December 2016, 14 March 2017, 20 March 2017, 9 May 2017, 20 July 2017, 1 August 2017, 10 August 2017, 22 August 2017 and 13 September 2017 by the Company, and the circulars of the Company dated 23 November 2016 and 12 April 2017, and the announcements of the Company dated 24 October 2016, 12 December 2016, 26 December 2016, 9 March 2017, 14 March 2017, 20 March 2017, 8 May 2017, 20 July 2017, 1 August 2017, 10 August 2017, 22 August 2017 and 13 September 2017.

As at the date of this announcement, the non-public issuance of A Shares remains subject to approval by the CSRC and it is uncertain whether the aforesaid approval will be obtained.

3. Undertakings has not been fulfilled during the reporting period by the de facto controllers, shareholders, related parties, acquirers and related committed parties of the Company

During the reporting period, there was no undertakings that has not been fulfilled by the de facto controllers, shareholders, related parties, acquirers and related committed parties of the Company.

4. Forecast on the operating results for 2017

Change in net profit attributable to shareholders of the listed company of 2017	-30%	To	0.00%
Range of change in net profit attributable to shareholders of the listed company of 2017 (RMB ten thousands)	4,444.13	To	6,348.75
Net profit attributable to shareholders of the listed company of 2016 (RMB ten thousands)	6,348.75		
Illustrations on reasons attributable to the movements in results	Prices of certain traditional products decrease, while intelligent steering projects go through the development and testing phase with higher investment and the export business is expected to be volatile.		

5. Information on illegal external guarantees

During the reporting period, the Company had no illegal external guarantee.

6. Information on the non-operating use of funds of the Company by the controlling shareholder and its related parties

During the reporting period, there was no non-operating use of funds of the Company by the controlling shareholder of the Company and its related parties.

7. Registration form for hosting researchers, communications and interviews during the reporting period

During the reporting period, there was no hosting of researchers, communications and interviews.

(4) Financial Statements

1. Financial Statements

1) Consolidated Balance Sheet

Unit: RMB

Item	30 September 2017	31 December 2016
Current Assets:		
Cash on hand and at bank	147,180,767.54	145,160,290.11
Notes receivable	134,640,877.46	162,714,933.93
Accounts receivable	407,252,753.30	398,849,055.72
Prepayments	7,509,339.58	4,851,250.24
Other receivables	7,546,878.10	6,244,280.21
Inventories	280,427,619.94	244,998,559.78
Other current assets	203,761,811.05	316,808,874.28
Total current assets	1,188,320,046.97	1,279,627,244.27
Non-current Assets:		
Fixed assets	568,836,459.03	599,101,741.36
Construction in progress	101,162,605.40	56,498,367.41
Intangible assets	99,060,837.78	105,682,338.89
Goodwill	4,694,482.34	4,694,482.34
Deferred income tax assets	2,913,446.23	4,238,146.41
Other non-current assets	59,217,310.95	24,899,238.79
Total non-current assets	835,885,141.73	795,114,315.20
Total Assets	2,024,205,188.70	2,074,741,559.47

1) Consolidated Balance Sheet (continued)

Unit: RMB

Item	30 September 2017	31 December 2016
Current Liabilities:		
Notes payable	120,893,212.27	118,716,837.78
Accounts payable	288,846,676.76	340,234,033.23
Receipts in advance	6,099,183.33	5,358,989.68
Staff costs payable	11,751,133.06	18,917,105.69
Taxes payable	10,239,550.74	11,124,131.47
Interests payable	920,471.55	917,833.33
Other payables	4,579,571.99	5,329,991.89
Other current liabilities	23,988,850.53	26,010,383.35
Total current liabilities	467,318,650.23	526,609,306.42
Non-current Liabilities:		
Long-term borrowings	11,630,000.00	9,630,000.00
Deferred income	40,932,341.59	40,390,847.99
Deferred income tax liabilities	3,588,078.45	4,243,897.76
Total non-current liabilities	56,150,420.04	54,264,745.75
Total Liabilities	523,469,070.27	580,874,052.17
Shareholders' Equity:		
Share capital	789,644,637.00	315,857,855.00
Capital reserve	185,250,172.21	659,036,954.21
Surplus reserve	130,760,053.19	130,760,053.19
Retained earnings	377,348,141.25	367,854,898.00
Equity attributable to equity holders of the parent	1,483,003,003.65	1,473,509,760.40
Minority interests	17,733,114.78	20,357,746.90
Total Shareholders' Equity	1,500,736,118.43	1,493,867,507.30
Total Liabilities and Shareholders' Equity	2,024,205,188.70	2,074,741,559.47

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

2) Balance Sheet of the Parent

Unit: RMB

Item	30 September 2017	31 December 2016
Current Assets:		
Cash on hand and at bank	24,391,967.28	12,110,832.88
Notes receivable	70,000.00	4,400,000.00
Accounts receivable	65,046,201.01	70,012,874.40
Prepayments	854,592.10	682,763.20
Other receivables	339,197,794.40	316,641,546.93
Inventories	10,002,666.16	8,444,027.38
Other current assets	110,493,246.29	140,000,000.00
Total current assets	550,056,467.24	552,292,044.79
Non-current Assets:		
Long-term receivables	298,000,000.00	298,000,000.00
Long-term equity investments	185,159,214.87	185,159,214.87
Fixed assets	9,813,013.16	8,815,693.86
Construction in progress	40,104,681.70	23,346,967.89
Intangible assets	35,802,778.40	36,954,655.88
Deferred income tax assets	73,244.75	73,244.75
Other non-current assets	11,802,195.09	6,760,000.00
Total non-current assets	580,755,127.97	559,109,777.25
Total Assets	1,130,811,595.21	1,111,401,822.04
Current Liabilities:		
Notes payable	13,772,950.00	2,657,000.00
Accounts payable	7,020,879.97	5,915,799.67
Receipts in advance	1,500.00	1,500.00
Staff costs payable	888,580.79	1,052,768.66
Taxes payable	767,415.54	2,062,546.54
Other payables	3,497,613.71	3,626,619.80
Other current liabilities	660,000.00	800,000.00
Total current liabilities	26,608,940.01	16,116,234.67
Non-current Liabilities:	-	-
Total Liabilities	26,608,940.01	16,116,234.67
Shareholders' Equity:		
Share capital	789,644,637.00	315,857,855.00
Capital reserve	187,767,058.72	661,553,840.72
Surplus reserve	69,757,076.15	69,757,076.15
Retained earnings	57,033,883.33	48,116,815.50
Total Shareholders' Equity	1,104,202,655.20	1,095,285,587.37
Total Liabilities and Shareholders' Equity	1,130,811,595.21	1,111,401,822.04

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

3) Consolidated Income Statement

Unit: RMB

Item	July – September 2017	July – September 2016	January – September 2017	January – September 2016
1. Total revenue	236,591,597.38	243,238,989.26	782,817,445.19	774,816,017.98
Including: Revenue	236,591,597.38	243,238,989.26	782,817,445.19	774,816,017.98
2. Total operating costs	241,654,743.23	233,628,799.03	753,732,290.31	722,603,891.07
Including: Operating costs	199,610,573.35	191,932,037.21	630,322,934.78	600,558,400.26
Taxes and surcharges	1,640,842.52	1,235,761.98	5,745,761.57	3,077,268.03
Selling expenses	15,213,755.89	15,955,495.94	43,657,419.29	43,240,612.57
General and administrative expenses	25,910,147.76	24,969,894.23	76,549,822.82	76,448,111.32
Financial expenses	-570,470.27	-385,854.68	-469,701.15	-1,545,774.27
Impairment loss on assets	-150,106.02	-78,535.65	-2,073,947.00	825,273.16
Add : Investment gains	1,115,868.41	1,685,038.36	5,842,502.62	4,341,534.26
Other gains	3,128,123.67	-	10,734,655.96	-
3. Operating profit	-819,153.77	11,295,228.59	45,662,313.46	56,553,661.17
Add : Non-operating income	131,360.61	3,545,645.39	239,992.90	7,662,051.17
Including: Gains on disposal of non-current assets	43,585.61	105,540.78	126,145.31	462,848.45
Less : Non-operating expenses	85,833.35	285,820.77	869,859.62	1,175,104.08
Including: Losses on disposal of non-current assets	58,513.92	124,365.97	720,490.15	431,423.17
4. Total profit	-773,626.51	14,555,053.21	45,032,446.74	63,040,608.26
Less : Income tax expenses	1,060,761.76	2,714,718.43	6,578,050.11	10,918,447.49
5. Net profit	-1,834,388.27	11,840,334.78	38,454,396.63	52,122,160.77
Net profit attributable to equity holders of the parent	1,363,941.63	11,968,777.37	41,079,028.75	50,836,200.75
Minority interests	-3,198,329.90	-128,442.59	-2,624,632.12	1,285,960.02
6. Net other total comprehensive income after tax	-	-	-	-
7. Total comprehensive income	-1,834,388.27	11,840,334.78	38,454,396.63	52,122,160.77
Total comprehensive income attributable to equity holders of the parent	1,363,941.63	11,968,777.37	41,079,028.75	50,836,200.75
Total comprehensive income attributable to minority interests	-3,198,329.90	-128,442.59	-2,624,632.12	1,285,960.02
8. Earnings per share:				
(1) Basic earnings per share	0.0017	0.0379	0.0520	0.1609
(2) Diluted earnings per share	0.0017	0.0379	0.0520	0.1609

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

4) Income Statement of the Parent

Unit: RMB

Item	July – September 2017	July – September 2016	January – September 2017	January – September 2016
1. Revenue	10,073,658.53	11,232,011.27	35,441,703.04	30,315,176.86
Less : Operating costs	9,828,222.96	8,496,955.79	31,140,691.10	20,982,498.70
Taxes and surcharges	42,023.99	30,475.02	865,044.88	186,031.49
Selling expenses	112,273.37	174,195.40	313,982.41	262,889.46
General and administrative expenses	2,997,081.03	107,779.63	7,688,379.77	5,206,092.28
Financial expenses	-1,200,565.52	-654,345.16	-2,932,893.10	-3,102,660.84
Add : Investment gains	514,327.32	425,120.55	42,363,494.44	41,802,835.63
2. Operating profit	-1,191,049.98	3,502,071.14	40,729,992.42	48,583,161.40
Add : Non-operating income	42,163.76	36,723.42	42,163.76	39,153.42
Including: Gains on disposal of non-current assets	-	20,545.04	-	20,545.04
Less : Non-operating expenses	46,668.52	8,502.09	50,218.52	25,371.00
Including: Losses on disposal of non-current assets	42,968.52	-	42,968.52	-
3. Total profit	-1,195,554.74	3,530,292.47	40,721,937.66	48,596,943.82
Less : Income tax expenses	-281,755.34	895,546.55	219,084.33	2,179,948.82
4. Net profit	-913,799.40	2,634,745.92	40,502,853.33	46,416,995.00
5. Net other total comprehensive income after tax	-	-	-	-
6. Total comprehensive income	-913,799.40	2,634,745.92	40,502,853.33	46,416,995.00

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

5) Consolidated Statement of Cash Flows

Unit: RMB

Item	January – September 2017	January –September 2016
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	377,788,934.03	397,739,777.15
Return of taxes and levies	6,975,614.30	1,339,597.40
Cash received relating to other operating activities	33,301,161.49	21,975,998.48
Sub-total of cash inflow from operating activities	418,065,709.82	421,055,373.03
Cash paid for goods purchased and services accepted	190,870,896.87	177,981,911.02
Cash paid to and on behalf of employees	119,445,585.23	106,130,329.77
Payment of taxes and levies	36,435,887.50	33,637,832.28
Cash paid relating to other operating activities	99,106,942.79	49,416,094.31
Sub-total of cash outflow from operating activities	445,859,312.39	367,166,167.38
Net cash flows from operating activities	-27,793,602.57	53,889,205.65
2. Cash flows from investing activities:		
Cash received from return of investments	1,206,600,000.00	737,000,000.00
Cash received from investment gains	5,842,502.62	4,341,534.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,220,454.98	3,435,940.19
Cash received relating to other investing activities	7,175,600.00	13,890,000.00
Sub-total of cash inflow from investing activities	1,220,838,557.60	758,667,474.45
Cash paid to acquire fixed assets, intangible assets and other long-term assets	81,446,345.49	87,118,948.49
Cash paid for investments	1,092,000,000.00	1,025,000,000.00
Sub-total of cash outflow from investing activities	1,173,446,345.49	1,112,118,948.49
Net cash flows from investing activities	47,392,212.11	-353,451,474.04
3. Cash flows from financing activities:		
Cash received from borrowings	132,000,000.00	200,000,000.00
Sub-total of cash inflow from financing activities	132,000,000.00	200,000,000.00
Cash paid for debt repayments	130,000,000.00	213,000,000.00
Cash paid for distribution of dividends, profit or interest expenses	32,061,844.60	31,859,678.48
Cash paid relating to other financing activities	713,844.73	-
Sub-total of cash outflow from financing activities	162,775,689.33	244,859,678.48
Net cash flows from financing activities	-30,775,689.33	-44,859,678.48
4. Effect of changes in foreign exchange rate on cash and cash equivalents	69,259.72	-151,066.91
5. Net increase in cash and cash equivalents	-11,107,820.07	-344,573,013.78
Add: Opening balance of cash and cash equivalents	117,330,581.92	486,048,673.31
6. Closing balance of cash and cash equivalents	106,222,761.85	141,475,659.53

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

6) Statement of Cash Flows of the Parent

Unit: RMB

Item	January –September 2017	January –September 2016
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	35,804,581.61	33,959,812.68
Cash received relating to other operating activities	10,481,902.29	38,678,943.44
Sub-total of cash inflow from operating activities	46,286,483.90	72,638,756.12
Cash paid for goods purchased and services accepted	17,445,693.19	15,769,590.45
Cash paid to and on behalf of employees	7,134,581.71	5,562,822.60
Payment of taxes and levies	3,651,624.00	4,142,634.59
Cash paid relating to other operating activities	29,520,230.01	58,142,167.27
Sub-total of cash outflow from operating activities	57,752,128.91	83,617,214.91
Net cash flows from operating activities	-11,465,645.01	-10,978,458.79
2. Cash flows from investing activities:		
Cash received from return of investments	350,000,000.00	214,000,000.00
Cash received from investment gains	42,363,494.44	41,802,835.63
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	40,000.00	140,000.00
Cash received relating to other investing activities	70,000,000.00	-
Sub-total of cash inflow from investing activities	462,403,494.44	255,942,835.63
Cash paid to acquire fixed assets, intangible assets and other long-term assets	17,887,306.28	7,864,911.87
Cash paid for investments	320,000,000.00	352,000,000.00
Cash paid relating to other investing activities	70,000,000.00	-
Sub-total of cash outflow from investing activities	407,887,306.28	359,864,911.87
Net cash flows from investing activities	54,516,188.16	-103,922,076.24
3. Cash flows from financing activities:		
Cash received from borrowings	130,000,000.00	180,000,000.00
Cash received relating to other financing activities	-	70,000,000.00
Sub-total of cash inflow from financing activities	130,000,000.00	250,000,000.00
Cash paid for debt repayments	130,000,000.00	178,000,000.00
Cash paid for distribution of dividend and profit or payment of interest expenses	31,804,566.34	31,880,135.49
Cash paid relating to other financing activities	713,844.73	70,000,000.00
Sub-total of cash outflow from financing activities	162,518,411.07	279,880,135.49
Net cash flows from financing activities	-32,518,411.07	-29,880,135.49
4. Effect of changes in foreign exchange rate on cash and cash equivalents	69,297.32	-156,048.13
5. Net increase in cash and cash equivalents	10,601,429.40	-144,936,718.65
Add: Opening balance of cash and cash equivalents	11,148,732.88	162,709,790.82
6. Closing balance of cash and cash equivalents	21,750,162.28	17,773,072.17

Legal Representative: Zhang Shi Quan Chief Financial Officer: Zhang Lan Jun Head of Finance Section: Li Gen Mei

2. Audit Report

The third quarter report of the Company is not audited.

By order of the Board
Zhejiang Shibao Company Limited
Zhang Shi Quan
Chairman and General Manager

Hangzhou, Zhejiang, the PRC
20 October 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Shi Quan, Mr. Zhang Bao Yi, Mr. Tang Hao Han and Ms. Zhang Lan Jun as executive directors; Mr. Zhang Shi Zhong and Mr. Zhu Jie Rong as non-executive directors; and Mr. Zhang Hong Zhi, Mr. Guo Kong Hui and Mr. Shum Shing Kei as independent non-executive directors.